

MCNAIR LAW FIRM, P.A.
ATTORNEYS AND COUNSELORS AT LAW

NATIONSBANK TOWER/1301 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201

MAILING ADDRESS:
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE 803/799-9800
FACSIMILE 803/799-9804

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, SC 29402
TELEPHONE 803/723-7831
FACSIMILE 803/722-3227

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, SC 29442
TELEPHONE 803/546-6102
FACSIMILE 803/546-0096

GREENVILLE OFFICE
105 EAST NORTH STREET
POST OFFICE BOX 447
GREENVILLE, SC 29602
TELEPHONE 864/271-4940
FACSIMILE 864/271-4015

HILTON HEAD ISLAND OFFICE
THE JADE BUILDING, SUITE 204
82 NEW ORLEANS ROAD
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, SC 29938
TELEPHONE 803/785-5169
FACSIMILE 803/842-3310

MYRTLE BEACH OFFICE
FOUNDERS CENTRE/SUITE 403
2411 OAK STREET
MYRTLE BEACH, SC 29577
TELEPHONE 803/444-1107
FACSIMILE 803/444-4729

SPARTANBURG OFFICE
SPARTAN CENTRE/SUITE 306
101 WEST ST. JOHN STREET
POST OFFICE BOX 5137
SPARTANBURG, SC 29304
TELEPHONE 864/542-1300
FACSIMILE 864/542-0705

December 31, 1997

The Honorable Charles Ballentine
Executive Director
South Carolina Public Service Commission
111 Doctors Circle
Columbia, South Carolina 29211

Dear Mr. Ballentine:

Please find enclosed for filing on behalf of the South Carolina Telephone Coalition an original and eleven (11) copies of a Lifeline Plan. Please clock in a copy and return by way of our courier.

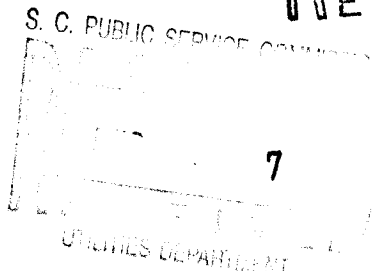
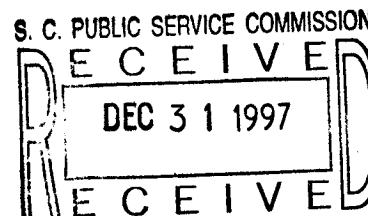
Thank you for your assistance in this matter.

Very truly yours,

Margaret M. Fox

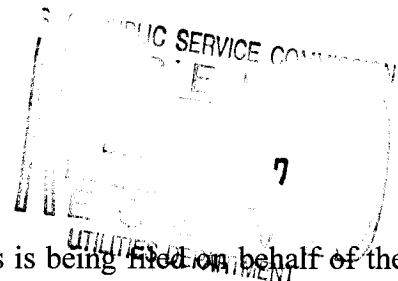
Margaret M. Fox

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97-239-C

LIFELINE PLAN



The following plan for Low Income Assistance Programs is being filed on behalf of the South Carolina Telephone Coalition (SCTC). A list of SCTC companies for purposes of this plan is attached hereto as Attachment A. The term "the Company" is used throughout to mean the respective SCTC company providing service to a particular subscriber.

LOW INCOME PROGRAMS

Each company offers two (2) low-income assistance programs. These programs, Lifeline Assistance and Link Up, are offered under the terms and conditions provided below. Lifeline Assistance and Link Up programs are subject to applicable federal regulations and any directives which may from time to time be prescribed by the Universal Service Administrator Corporation (USAC), as well as any state requirements imposed by the South Carolina Public Service Commission.

1. Lifeline Assistance

Definition

Lifeline Assistance is a discount off the tariffed rate for basic local exchange service available to qualifying low-income subscribers. Lifeline Assistance enables eligible subscribers to receive a discount for the following package of services: voice-grade access to the public switched network; local usage; dual tone multi-frequency signaling or its functional equivalent; single-party service or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll limitation (to the extent technically feasible).

Qualification

- (a) Lifeline Assistance is available to all subscribers who participate in one or more of the following programs: Temporary Assistance for Needy Families (formerly AFDC); Medicaid; or Food Stamps.
- (b) Each subscriber to Lifeline Assistance must certify in writing to the Company, under penalty of perjury, that s/he receives benefits under a program listed in (a) above and must, on that same document, agree to notify the Company if s/he ceases to participate in the program(s). The Company may require the subscriber to authorize the Company to access any records necessary to verify the subscriber's statements, and may require the subscriber to furnish proof of participation in a qualifying program. The certification form shall conform to the

requirements described herein, and shall be made available upon request to any subscriber. The Company shall retain all such subscriber certifications in order to furnish proof of subscriber eligibility as may be required from time to time by Universal Service administrators.

- (c) Eligibility for Lifeline Assistance may be verified through the South Carolina Department of Social Services (DSS). Each month, or on an occasional basis as deemed appropriate by the Company, the Company may provide DSS with a list of customers that are on the Lifeline Assistance program. DSS will return the list to the Company, verifying or denying each subscriber's participation in one or more of the programs listed in (a) above. Any customer not qualified by DSS will be notified by the Company of such disqualification. The customer will then have 10 days to provide proof of participation or be terminated from the Lifeline Assistance program.
- (d) A person will not be eligible for Lifeline Assistance support if s/he is a dependent for Federal income tax purposes unless s/he is more than 60 years old.

Toll Limitation, Disconnection of Service for Non-Payment of Toll Charges, and Service Deposits

- (a) A subscriber may elect at the time of subscription to receive toll limitation as part of Lifeline Assistance. "Toll limitation" is a service that allows a subscriber to elect not to allow the completion of outgoing toll calls from the subscriber's residence. Toll limitation will be offered at no charge.
- (b) Basic local exchange service for Lifeline Assistance subscribers will not be disconnected for non-payment of toll charges, unless the Company demonstrates to the Commission that the Company would incur substantial costs, that the Company offers toll limitation without charge, and that telephone subscribership among low-income subscribers in the Company's service area is greater than or equal to the national subscribership rate for low-income consumers. For purposes of this paragraph, a "low-income consumer" is one with an income below the poverty level for a family of four residing in South Carolina. The Company shall follow all applicable notice provisions, as established from time to time by the Commission, as part of the waiver process, and to implement a waiver, if granted. The Company may reapply for the waiver as necessary.
- (c) The Company may not collect a service deposit in order to initiate Lifeline Assistance if the qualifying low-income subscriber voluntarily elects toll blocking from the Company. If toll blocking is not elected by the subscriber, then the Company may charge a service deposit.

Amount of Lifeline Assistance Support and How it Shall be Applied

- (a) The total Lifeline Assistance support for 1998 will be \$5.25 per subscriber, to be provided from the Federal USF. Once the intrastate Universal Service Fund is implemented, the total Lifeline Assistance support will be increased to \$10.50 per subscriber, with the additional funding being provided as follows: \$3.50 from the State USF and \$1.75 from the Federal USF. The amount of Lifeline Assistance support shall not exceed the total of the federal End-User Common Line Charge and applicable basic local exchange service rate charged to the Lifeline Assistance customer.
- (b) The Company shall apply the initial \$3.50 of Federal USF support received from the administrator of the federal Lifeline Assistance program to waive the qualifying customer's federal End-User Common Line Charge. The Company shall apply any additional federal support amount to the qualifying customer's basic local exchange service rate.

Advertising

The Company will advertise the availability of Lifeline Assistance through its standard customer notification procedures.

2. Link Up

Definition

- (a) Link Up provides a reduction in the Company's customary charge for commencing telecommunications service for a single telecommunications connection at a subscriber's principal place of residence. Link Up is provided to eligible subscribers in addition to Lifeline Assistance. Charges assessed for commencing service include any charges that the Company customarily assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements.

Qualification

- (a) Link Up is available to all subscribers who participate in one or more of the following programs: Temporary Assistance for Needy Families (formerly AFDC); Medicaid; or Food Stamps.
- (b) Each Link Up subscriber must certify in writing to the Company, under penalty of perjury, that s/he receives benefits under a program listed in (a) above. The Company may require the subscriber to authorize the Company to access any

records necessary to verify the subscriber's statements, and may require the subscriber to furnish proof of participation in a qualifying program. The certification form shall conform to the requirements described herein, and shall be made available upon request to any subscriber. The Company shall retain all such subscriber certifications in order to furnish proof of subscriber eligibility as may be required from time to time by Universal Service administrators.

- (c) Link Up is available for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously.
- (d) A person will not be eligible for Link Up if s/he is a dependent for Federal income tax purposes unless s/he is more than 60 years old.

Amount of Support

- (a) The Link Up reduction is one-half of the customary connection charge, or \$30.00, whichever is less.
- (b) Link Up support also provides a deferred schedule for payment of the charges assessed for commencing service. The subscriber shall not be assessed interest charges on connection charges of up to \$200.00 that are deferred for a period not to exceed one year.

ATTACHMENT A

Bluffton Telephone Company, Inc.

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Fort Mill Telephone Company

Hargray Telephone Company, Inc.

Heath Springs Telephone Company, Inc.

Home Telephone Company, Inc.

Horry Telephone Cooperative, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

West Carolina Rural Telephone Cooperative, Inc.